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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

D
92-2241

For Quarter Ended June 30, 1992 Commission File No. 0-13407

ALLIANCE WELL SERVICE, INC.
(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of incorporation or organization)	76-0096223 (I.R.S. Employer Identification No.)
P. O. Box 11050, Liberty, Texas (Address of principal executive office)	77575 (Zip Code)

(409) 336-8831
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No

There were 12,740,823 shares of Common Stock $.01 par value, of the registrant outstanding as of August 13, 1992.

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PART I
FINANCIAL INFORMATION

Item 1 - Financial Statements

ALLIANCE WELL SERVICE, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

ASSETS	June 30, 1992	December 31, 1991
Current Assets:		
Cash and cash equivalents	$ 684,000	$ 981,000
Accounts receivable, less allowance for doubtful accounts of $94,000 and $92,000, respectively	46,000	118,000
Prepaid expenses	7,000	7,000
Total Current Assets	737,000	1,106,000
Property and Equipment:		
Property and equipment	533,000	597,000
Less accumulated depreciation	(125,000)	(167,000)
Net Property and Equipment	408,000	430,000
Other Assets	283,000	281,000
	$1,428,000	$1,817,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 20,000	$ 60,000
Accrued liabilities	286,000	209,000
Income taxes payable	-	-
Total Current Liabilities	306,000	269,000
Stockholders' Equity:		
Common stock, $.01 par--60,000,000 shares authorized, 12,765,823 issued	128,000	128,000
Additional paid-in capital	1,436,000	1,436,000
Retained earnings (deficit) since elimination of deficit of $17,525,000 at September 30, 1984 and $37,418,000 at October 6, 1987	(434,000)	(8,000)
Less treasury stock - 25,000 shares	(8,000)	(8,000)
Total Stockholders' Equity	1,122,000	1,548,000
	$1,428,000	$1,817,000

The accompanying notes are an integral part of these statements.

ALLIANCE WELL SERVICE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF LOSS
(Unaudited)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1992	1991	1992	1991
Well Servicing Revenues	$ -	$644,000	$ -	$1,611,000
Other Income	15,000	75,000	35,000	79,000
	15,000	719,000	35,000	1,690,000
Costs and Expenses:				
Operating expenses	2,000	619,000	7,000	1,493,000
Depreciation	6,000	44,000	14,000	106,000
General and administrative	64,000	102,000	130,000	187,000
Interest	-	3,000	4,000	6,000
Other expenses	5,000	-	306,000	-
	77,000	768,000	461,000	1,792,000
Income (Loss) Before Taxes	(62,000)	(49,000)	(426,000)	(102,000)
Provision for income taxes	-	-	-	-
Net Loss	$(62,000)	$(49,000)	$(426,000)	$ (102,000)
Net Loss Per Share	$ -	$ -	$ (.03)	$ (.01)

The accompanying notes are an integral part of these statements.

ALLIANCE WELL SERVICE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	SIX MONTHS ENDED JUNE 30	
	1992	1991
OPERATING ACTIVITIES		
Net loss	$(426,000)	$ (102,000)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	14,000	106,000
Provision for losses on receivables	(2,000)	-
Loss(Gain) on sale of property and equipment	(2,000)	(76,000)
Changes in operating assets and liabilities:		
(Increase) Decrease in: accounts receivable	74,000	89,000
prepaid expenses	-	72,000
other assets	(2,000)	(1,000)
Increase (Decrease) in: accounts payable	(40,000)	18,000
accrued liabilities	77,000	(79,000)
income taxes payable	-	-
Net Cash Provided by Operating Activities	(307,000)	27,000
INVESTING ACTIVITIES		
Purchases of equipment	-	(12,000)
Proceeds from sale of property and equipment	10,000	953,000
Net Cash Provided by Investing Activities	10,000	941,000
FINANCING ACTIVITIES		
Principal payments on long-term debt	-	(10,000)
Purchase of common stock	-	(86,000)
Net Cash Used in Financing Activities	-	(96,000)
Increase (Decrease) in Cash and Cash Equivalents	(297,000)	872,000
Cash and Cash Equivalents at Beginning of Period	981,000	305,000
Cash and Cash Equivalents at End of Period	$ 684,000	$1,177,000

The accompanying notes are an integral part of these statements.

ALLIANCE WELL SERVICE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 - Unaudited Financial Statements

The consolidated financial statements included herein have been prepared by Alliance Well Service, Inc. (the Company), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission and in accordance with generally accepted accounting principles and, in the opinion of management, the information furnished reflects all adjustments which are necessary for a fair statement of the results of operations for the interim periods presented.

It is recommended that these statements be read in conjunction with the financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 1991.

Note 2 - Income Taxes

As of December 31, 1991, the Company had net operating loss carryforwards for federal income tax purposes of approximately $57,000,000 which, if not utilized, will expire in 1998 through 2006. In addition, the Company had investment and new jobs tax credit carryforwards aggregating approximately $2,300,000 which expire from 1994 through 2001.

No deferred taxes have been provided for timing differences between income computed for federal income tax and financial reporting purposes due to net operating loss, investment tax credit and new jobs tax credit carryforwards. To the extent such carryforwards are used to reduce federal income taxes payable in future years, the portion of deferred taxes eliminated will be restored.

Note 3 - Loss Per Share

The weighted average number of common shares outstanding used in computing per share amounts for each of the indicated periods is as follows:

	Shares
Three months ended June 30, 1992	12,740,823
Three months ended June 30, 1991	12,740,823
Six months ended June 30, 1992	12,933,323
Six months ended June 30, 1991	13,229,835

ALLIANCE WELL SERVICE, INC. AND SUBSIDIARIES

Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

Recent Developments

On May 28, 1991, following stockholder approval, the Company sold sustantially all of its operating assets to Pride Petroleum Services, Inc. The Company has been investing the net cash proceeds in certificates of deposit and other interest bearing accounts until such time as the Company acquires an interest in or begins another business. During this period of time, the Company's only income will be from interest income on such bank deposits.

In April, 1992, a New Mexico jury returned a verdict against Alliance Well Service, dba Monument Well Service, and Kenco Oil Tools for negligence as a result of both companies performing work on the wrong gas well in April, 1989. The operator of the well alleged significant damage, while experts hired by the defendants attested to minimal damage in the range of $30,000 to $50,000. The jury, in a 10 to 2 vote, entered a judgement for damages of $265,000 against Alliance and $177,000 against Kenco. In connection with this verdict, Alliance has recorded a $300,000 charge as of March 31, 1992. Management of Alliance does not believe that the judgement is warranted and expects to file an appeal.

Results of Operations

Three Months Ended June 30, 1992
Compared to Three Months Ended June 30, 1991

The Company experienced a 100% decline in operating revenues for the three months ended June 30, 1992 compared to the same period in 1991 as a result of selling the Company's last rigs and operating yard on May 28, 1991. Operating expenses were down 99%.

Depreciation expense decreased by $38,000 or 86% reflecting the sale of operating equipment on May 28, 1991.

General and administrative expenses were down 37% reflecting reductions in personnel and some other cost cutting.

Six Months Ended June 30, 1992
Compared to Six Months Ended June, 1991

The Company experienced a 100% decline in operating revenues for the six months ended June 30, 1992 compared to the same period in 1991 as a result of selling the Company's last rigs and operating yard on May 28, 1991. Operating expenses were down 99%.

Depreciation expense decreased by $92,000 or 87% reflecting the sale of operating equipment on May 28, 1991.

General and administrative expenses were down 30% reflecting reductions in personnel and some other cost cutting.

Other expenses reflect a $300,000 charge for a recent lawsuit judgement (see Recent Developments above).

Liquidity and Capital Resources

At June 30, 1992, the Company had $431,000 in working capital, a current ratio of 2.4 to 1.0, and no long-term debt. The Company had unpledged real estate with a book value of $405,000 which the Company believes could be utilized to support borrowings, if needed.

The Company does not anticipate the expenditure of any significant funds for capital improvements in the foreseeable future. In the event that the Company is successful in its acquisition activity, the Company anticipates that any such acquisition could involve the incurrence and/or assumption by the Company of debt, in an amount which could be substantial.

PART II - OTHER INFORMATION

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Alliance Well Service, Inc.

Date: August 13, 1992

/S/ Gregory E. Fourticq
Gregory E. Fourticq
President

Date: August 13, 1992

/S/ Nelson R. Jones
Nelson R. Jones
Secretary and Treasurer
(Principal Financial and
Accounting Officer)